

ModernGraham Valuation

Vulcan Materials
Company



Company Name:

Company Ticker VMC

Date of Analysis

2/1/2019

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$13,689,415,918	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.70	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-1171.43%	Fail
6. Moderate PEmg Ratio	PEmg < 20	30.84	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.70	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.70	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.72	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.36
MG Growth Estimate	15.00%
MG Value	\$129.44
MG Value based on 3% Growth	\$48.75
MG Value based on 0% Growth	\$28.58
Market Implied Growth Rate	11.17%

MG Opinion

Current Price	\$103.67
% of Intrinsic Value	80.09%
Opinion	Fairly Valued
MG Grade	C

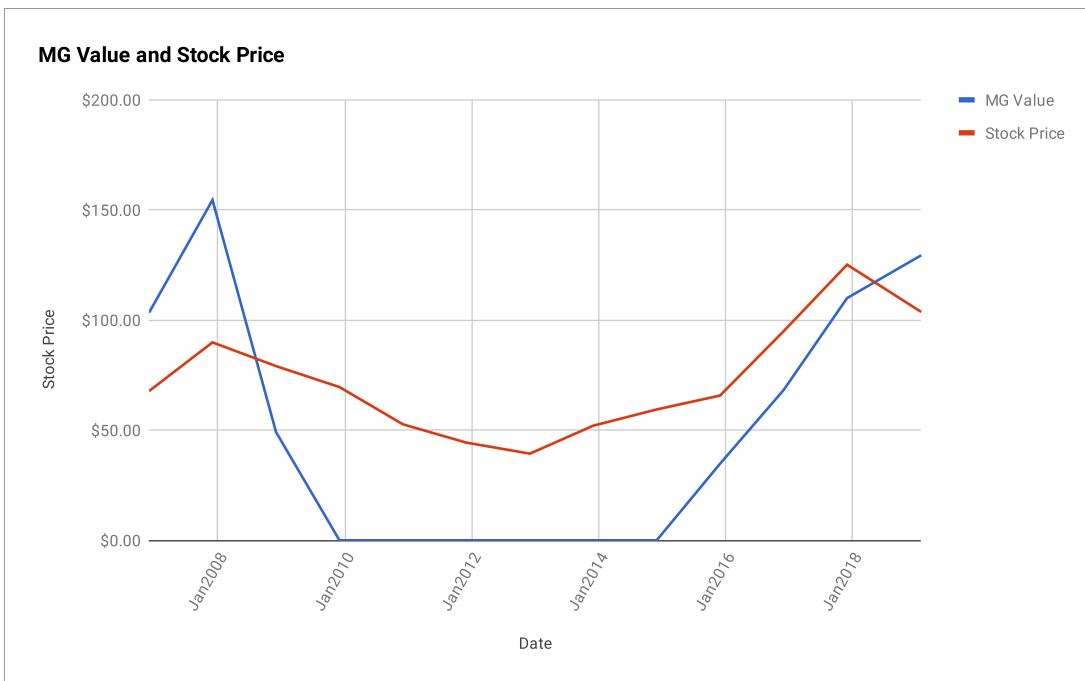
Stage 3: Information for Further Research

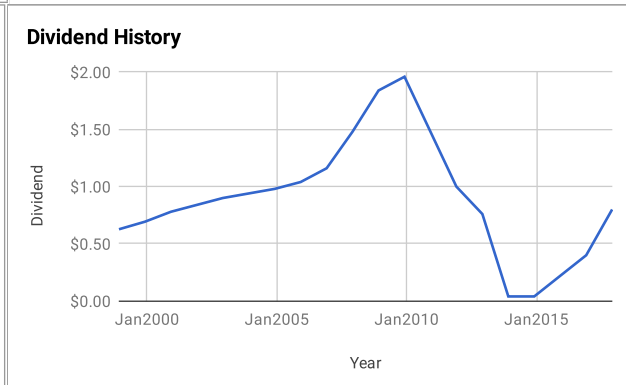
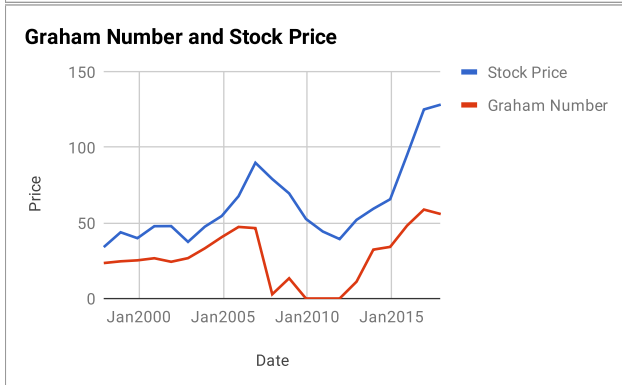
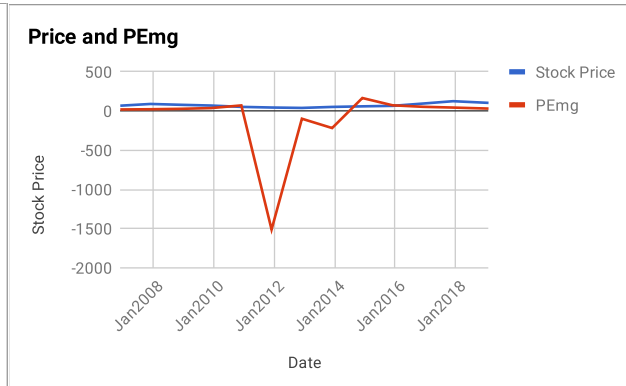
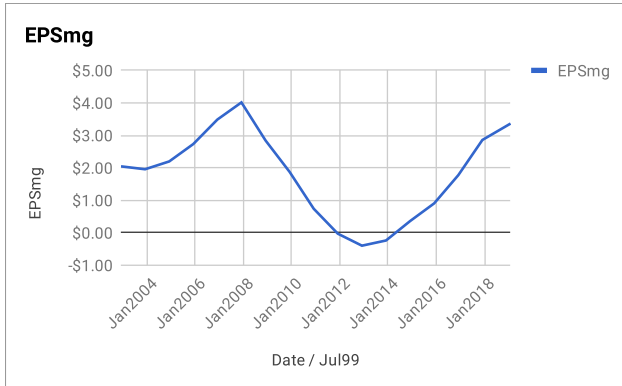
Net Current Asset Value (NCAV)	-\$26.54
Graham Number	\$55.91
PEmg	30.84
Current Ratio	1.70
PB Ratio	2.70
Current Dividend	\$1.00
Dividend Yield	0.96%
Number of Consecutive Years of Dividend Growth	4

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.70	Next Fiscal Year Estimate	\$3.36
Dec2017	\$4.46	Dec2017	\$2.86
Dec2016	\$3.09	Dec2016	\$1.77
Dec2015	\$1.64	Dec2015	\$0.90
Dec2014	\$1.54	Dec2014	\$0.36
Dec2013	\$0.19	Dec2013	-\$0.24
Dec2012	-\$0.41	Dec2012	-\$0.40
Dec2011	-\$0.55	Dec2011	-\$0.03
Dec2010	-\$0.75	Dec2010	\$0.74
Dec2009	\$0.25	Dec2009	\$1.87
Dec2008	\$0.01	Dec2008	\$2.84
Dec2007	\$4.54	Dec2007	\$4.01
Dec2006	\$4.71	Dec2006	\$3.49
Dec2005	\$3.74	Dec2005	\$2.73
Dec2004	\$2.77	Dec2004	\$2.20
Dec2003	\$1.90	Dec2003	\$1.95
Dec2002	\$1.66	Dec2002	\$2.04
Dec2001	\$2.17	Balance Sheet Information 9/1/2018	
Dec2000	\$2.16	Total Current Assets	\$1,175,912,000
Dec1999	\$2.35	Total Current Liabilities	\$690,415,000
Dec1998	\$2.50	Long-Term Debt	\$2,778,129,000
		Total Assets	\$9,875,635,000
		Intangible Assets	\$4,268,969,000
		Total Liabilities	\$4,729,846,000
		Shares Outstanding (Diluted Average)	133,894,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

- Other ModernGraham posts about the company**
- [Vulcan Materials Co Valuation – April 2018 \\$VMC](#)
 - [Vulcan Materials Co Valuation – July 2016 \\$VMC](#)
 - [5 Speculative and Overvalued Companies to Avoid – June 2015](#)
 - [30 Companies in the Spotlight This Week – 5/23/15](#)
 - [Vulcan Materials Company Annual Valuation – 2015 \\$VMC](#)

- Other ModernGraham posts about related companies**
- [PulteGroup Inc Valuation – January 2019 \\$PHM](#)
 - [Sherwin-Williams Co Valuation – January 2019 \\$SHW](#)
 - [Johnson Controls International PC Valuation – January 2019 \\$JCI](#)
 - [Cummins Inc Valuation – January 2019 \\$CMI](#)
 - [Flowserve Corp Valuation – January 2019 \\$FLS](#)
 - [Home Depot Inc Valuation – November 2018 \\$HD](#)
 - [Cavco Industries Inc Valuation – September 2018 \\$CVCO](#)
 - [LGI Homes Inc Valuation – September 2018 \\$LGIH](#)
 - [Stantec Inc Valuation – August 2018 \\$TSE-STN](#)
 - [Simpson Manufacturing Co Inc Valuation – August 2018 \\$SSD](#)